

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:
<b>In re</b>	:
	:
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	:
	:
<b>Debtors.</b>	:
	:
	:
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**Chapter 11 Case No.**  
**08-13555 (JMP)**  
**(Jointly Administered)**

**AFFIDAVIT AND DISCLOSURE STATEMENT OF BENJAMIN M. KAHRL,  
ON BEHALF OF KAHRL WUTSCHER LLP**

DISTRICT OF COLUMBIA            )  
  ) ss:  
CITY OF WASHINGTON            )

Benjamin M. Kahrl, being duly sworn, upon his oath, deposes and says:

1. I am a partner at the law firm of Kahrl Wutscher LLP, located at 5151 Wisconsin Avenue, NW, Suite 501, Washington DC 20016 (the "Firm").
2. Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors" and, collectively with their non-debtor affiliates, "Lehman"), have requested that the Firm provide: (a) litigation services to recover losses stemming from fraud or other loss recovery matters arising from mortgage loans LBHI and/or Debtors acquired from correspondent lenders and other loan originators, and (b) licensing, regulatory and other compliance-related counseling related to loans owned and managed by LBHI and/or Debtors, and the Firm has consented to provide such services. The Firm was retained pre-petition by Aurora Loan Services LLC ("Aurora"), which is an indirect subsidiary of LBHI, to litigate the loss recovery matters on

behalf of LBHI. The Firm's post-petition engagement with regard to the services described in this paragraph is solely with LBHI.

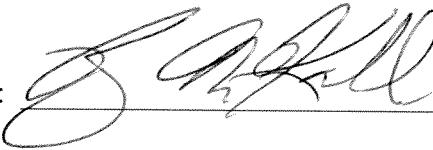
3. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases with respect to those matters that come within the scope of the Firm's representation of the Debtors. For example, the Firm currently represents Aurora in a variety of matters related to its servicing of mortgage debts that may now or in the past have been performed on behalf of, and pursuant to a contract with, Debtors. In addition, the Firm represents other mortgage lenders and servicers in consumer finance litigation and regulatory matters, some of which may involve properties on which there is a lien secured by debt owned by Debtors. However, none of the above-mentioned representations are adverse to the estate with respect to the matter(s) for which the Firm is to be employed, and accordingly, the Firm's engagement should be consistent with section 327(e) of the Bankruptcy Code.

4. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

5. Neither I, nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates.

6. The Debtors do not directly owe the Firm any amount for prepetition services. The Firm was retained directly by Aurora prepetition to perform legal services for LBHI, and the services thus far rendered were billed to Aurora post-petition.

7. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.<sup>1</sup>

By: 

Subscribed and sworn to before me  
this 20 day of Dec, 2008



Notary Public

Robert Kotchenreuther II  
Notary Public, District of Columbia  
My Commission Expires 10/31/2011

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<sup>1</sup> If necessary.

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**In re** : **Chapter 11 Case No.**  
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**LEHMAN BROTHERS HOLDINGS INC., et al.,** : **08-13555 (JMP)**  
:  
**Debtors.** : **(Jointly Administered)**  
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**RETENTION QUESTIONNAIRE**

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY LEHMAN BROTHERS HOLDINGS INC. OR ANY OF ITS DEBTOR AFFILIATES (collectively, the "Debtors")

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.  
RETURN IT FOR FILING BY THE DEBTORS, TO:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attn: Jennifer Sapp  
Christopher Stauble

All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

Kahrl Wutscher LLP

5151 Wisconsin Avenue, NW, Suite 501

Washington, District of Columbia 20016

2. Date of retention: June 23, 2008 by Aurora Loan Services LLC to  
prosecute matters on behalf of LBHI. Retention directly on behalf of

LBHI shall commence upon the Court's approval for the Firm to proceed  
as an ordinary course professional.

3. Type of services provided (accounting, legal, etc.):

Legal representation in loss recovery and regulatory compliance matters.

4. Brief description of services to be provided:

Litigation to recover losses stemming from fraud or other loss recovery  
matters arising from mortgage loans LBHI acquired from correspondent  
lenders and other loan originators; licensing, regulatory and other  
compliance-related counseling related to loans owned and managed by  
Debtors.

5. Arrangements for compensation (hourly, contingent, etc.)

Hourly

- (a) Average hourly rate (if applicable):

\$225.00

- (b) Estimated average monthly compensation based on prepetition  
retention (if firm was employed prepetition):

Up to \$100,000.

6. Prepetition claims against the Debtors held by the firm:

Amount of claim: None (pre-petition retention was with Debtor's  
indirect subsidiary, Aurora Loan Services LLC.

Date claim arose: N/A

Source of Claim: N/A

7. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the firm:

Name: None

Status: N/A

Amount of Claim: \$N/A

Date claim arose: N/A

Source of claim: N/A

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\_\_\_\_\_

\_\_\_\_\_

8. Stock of the Debtors currently held by the firm:

Kind of shares: None

No. of shares: None

9. Stock of the Debtors currently held individually by any member, associate, or professional employee of the firm:

Name: None

Status: N/A

\_\_\_\_\_

Kind of shares: N/A

No. of shares: N/A

10. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates with respect to the matters on which the above-named firm is to be employed.

None

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
11. Name of individual completing this form:

Benjamin M. Kahrl, Esq.